

HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chair of Committee

\_\_\_\_\_  
Date

April 28, 2021

Committee on Judiciary.

After consideration on the merits, the Committee recommends the following:

HB21-1215 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3           **"SECTION 1. Legislative declaration.** (1) The general  
4 assembly hereby finds and declares that:

5           (a) The justice reinvestment crime prevention initiative is a  
6 community-led program that provides grants for direct services aimed at  
7 reducing crime and recidivism as well as small business lending to  
8 promote employment and community development in the target  
9 communities of north Aurora and southeast Colorado Springs;

10           (b) This program is in its pilot phase, and preliminary data  
11 indicates successful outcomes in both of the target communities;

12           (c) There are likely strategies that can demonstrate effectiveness  
13 in both rural and urban settings, and there are also likely to be important  
14 differences and distinctions, so this initiative would be more meaningful  
15 and useful if it includes both rural and urban communities; and

16           (d) Therefore, there would be substantial benefit for the state to  
17 expand the program to include the two rural communities of Grand  
18 Junction and Trinidad, including surrounding unincorporated areas, in  
19 order to design and effectuate community-based safety strategies and  
20 services in a rural setting.

21           (2) The general assembly further finds and declares that:

22           (a) Approximately seventy-seven million Americans, or one in  
23 three adults, have a criminal record and there is substantial empirical

- 1 evidence that having a criminal record is a barrier to employment;
- 2 (b) The National Conference of State Legislatures estimated that  
3 the employment barriers faced by people with felony convictions were  
4 associated with a reduction in the overall employment rate, amounting to  
5 an estimated loss of at least 1.7 million workers from the workforce and  
6 a cost of at least \$78 billion to the economy;
- 7 (c) These circumstances negatively impact the individual, his or  
8 her family and community, and the state;
- 9 (d) Although there have been concerted efforts at both the policy  
10 and direct service levels to help people with criminal records obtain  
11 employment, little has been done specifically to provide training and  
12 other support for those who are interested in starting their own business;  
13 and
- 14 (e) Small business ownership is one of the ways to integrate  
15 people fully into society and, if given training and assistance by local  
16 nonprofit organizations, people who have previously been in the criminal  
17 justice system would be in a better position to provide valuable services,  
18 goods, and jobs to their communities and the state.

19 **SECTION 2.** In Colorado Revised Statutes, 24-32-120, **amend**  
20 (1)(a), (1)(b)(I), (2)(b), (2)(c) introductory portion, (2)(c)(I), (2)(c)(II),  
21 (2)(c)(V), (2)(c)(VI), (2)(d), (2)(e) introductory portion, (2)(f), (2)(i)(III),  
22 (2)(i)(IV), and (3); and **add** (2)(c)(VII) and (2.5) as follows:

23 **24-32-120. Justice reinvestment crime prevention initiative -**  
24 **program - rules - cash funds - reports - definitions - repeal.**  
25 (1) (a) The division of local government shall administer the justice  
26 reinvestment crime prevention initiative to expand small business lending  
27 and provide grants aimed at reducing crime and promoting community  
28 development in the target communities of north Aurora and southeast  
29 Colorado Springs. EFFECTIVE SEPTEMBER 1, 2021, THE TARGET  
30 COMMUNITIES MUST ALSO INCLUDE THE GRAND JUNCTION AND TRINIDAD  
31 AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF CITY LIMITS.

32 (b) Subject to available appropriations, on and after August 10,  
33 2017, the division shall develop and implement an initiative in  
34 accordance with policies developed by the executive director specifically  
35 designed to expand small business lending in the target communities  
36 described in this subsection (1). An initiative developed and implemented  
37 pursuant to subsection (1)(a) of this section shall include, but need not be  
38 limited to, the following components:

39 (I) (A) On or before September 10, 2017, the division shall issue  
40 a request for participation and select one or more nondepository  
41 community development financial institution loan funds to participate in



1 the small business lending program described in this subsection  
2 SUBSECTION (1)(b)(I)(A);

3 (B) ON OR BEFORE SEPTEMBER 1, 2021, IF THE NONDEPOSITORY  
4 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS  
5 CONTRACTED PURSUANT TO SUBSECTION (1)(b)(I)(A) OF THIS SECTION ARE  
6 NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND JUNCTION AND  
7 TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS OUTSIDE OF THE  
8 CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR PARTICIPATION TO  
9 SELECT ONE OR MORE ADDITIONAL DEPOSITORY COMMUNITY  
10 DEVELOPMENT FINANCIAL INSTITUTION LOAN FUNDS TO SERVE THE GRAND  
11 JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS  
12 OUTSIDE OF THE CITY LIMITS.

13 (2) (b) (I) On or before September 10, 2017, the executive director  
14 shall issue a request for participation and select a community foundation  
15 or foundations to manage the grant program. To be eligible, the  
16 community foundation must be registered in the state of Colorado and  
17 have a history of grant-making in the target community in areas consistent  
18 with the permissible uses of funding described in subsection (2)(e) of this  
19 section. The division may select one community foundation to serve both  
20 target communities or may select one community foundation for each  
21 target community.

22 (II) ON OR BEFORE SEPTEMBER 1, 2021, IF THE COMMUNITY  
23 FOUNDATIONS CONTRACTED PURSUANT TO SUBSECTION (2)(b)(I) OF THIS  
24 SECTION ARE NOT ABLE TO ALSO EFFECTIVELY SERVE THE GRAND  
25 JUNCTION AND TRINIDAD AREAS, INCLUDING UNINCORPORATED AREAS  
26 OUTSIDE OF THE CITY LIMITS, THE DIVISION SHALL ISSUE A REQUEST FOR  
27 PARTICIPATION AND SELECT ONE OR MORE COMMUNITY FOUNDATIONS OR  
28 THIRD-PARTY GRANT ADMINISTRATORS AS DEFINED IN SECTION  
29 25-20.5-801 (3)(a) TO MANAGE THE GRANT PROGRAM OR PROGRAMS FOR  
30 THE GRAND JUNCTION AND TRINIDAD AREAS, INCLUDING  
31 UNINCORPORATED AREAS OUTSIDE OF THE CITY LIMITS.

32 (c) The division shall execute a written agreement with ~~the~~ EACH  
33 selected community foundation or ~~community foundations~~ THIRD-PARTY  
34 GRANT ADMINISTRATOR that outlines ~~the~~ ITS roles and responsibilities, ~~of~~  
35 ~~the community foundation. The roles and responsibilities~~ WHICH must  
36 include:

37 (I) Developing a nomination process and governance policy for  
38 the local crime prevention planning team. ~~subject to approval by the~~  
39 ~~appropriate city council.~~ The community foundation OR THIRD-PARTY  
40 GRANT ADMINISTRATOR shall ensure that the proposed local planning  
41 team members represent a diverse cross-section with expertise in areas



1 like education, business, youth, families, nonprofit direct service, law  
2 enforcement, local government, community, and residents of the target  
3 communities, including those that have been directly impacted by crime  
4 and involvement in the criminal justice system;

5 (II) Providing facilitation to the local crime prevention planning  
6 team in ~~both Aurora and Colorado Springs~~ THE TARGET COMMUNITIES;

7 (V) ~~Contracting~~ IF THE AGREEMENT IS WITH A COMMUNITY  
8 FOUNDATION, CONTRACTING with a third-party evaluator to assist each  
9 local planning team to establish best practices with regard to data  
10 collection and identifying appropriate performance and outcome measures  
11 that measure outcome and impact of any funded crime prevention  
12 projects, programs, or initiatives;

13 (VI) Collaborating with the office of state planning and budgeting  
14 to provide information and research to local planning teams regarding  
15 best practices and effective programs for community development and  
16 crime prevention; AND

17 (VII) IF THE WRITTEN AGREEMENT IS WITH A THIRD-PARTY  
18 ADMINISTRATOR, PERFORMING DATA COLLECTION, IDENTIFYING  
19 APPROPRIATE PERFORMANCE AND OUTCOME MEASURES, PROVIDING  
20 TECHNICAL ASSISTANCE, AND ASSISTING WITH GRANTEE CAPACITY  
21 BUILDING.

22 (d) The division shall develop the procedures and timelines by  
23 which ~~the~~ EACH selected community foundation or ~~community~~  
24 ~~foundations~~ THIRD-PARTY GRANT ADMINISTRATOR will be provided  
25 funding from the division for disbursement for the grant program.

26 (e) The permissible uses of any funding provided to ~~the~~ EACH  
27 community foundation OR THIRD-PARTY GRANT ADMINISTRATOR shall  
28 include programs, projects, or initiatives that are aimed at:

29 (f) (I) The division shall transfer to the community foundation OR  
30 THIRD-PARTY GRANT ADMINISTRATOR within thirty days after execution  
31 of the agreement described in subsection (2)(c) of this section the  
32 administrative costs of the community foundation OR THIRD-PARTY  
33 GRANT ADMINISTRATOR related to the performance of the roles and  
34 responsibilities for managing the grant program. ~~which costs must not~~  
35 ~~exceed four percent of the appropriation.~~

36 (II) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS  
37 SECTION PERTAIN TO A COMMUNITY FOUNDATION, THE COSTS MAY NOT  
38 EXCEED EIGHT PERCENT OF THE APPROPRIATION.

39 (III) IF THE COSTS DESCRIBED IN SUBSECTION (2)(f)(I) OF THIS  
40 SECTION PERTAIN TO A THIRD-PARTY GRANT ADMINISTRATOR, THE COSTS  
41 MAY NOT EXCEED FIFTEEN PERCENT OF THE APPROPRIATION TO COVER



1 BOTH THE GRANT PROGRAM MANAGEMENT RESPONSIBILITIES AND THE  
2 ADDITIONAL RESPONSIBILITIES DESCRIBED IN SUBSECTION (2)(c)(VII) OF  
3 THIS SECTION.

4 (i) (III) Money in the fund is continuously appropriated to the  
5 department of local affairs for the grant program developed pursuant to  
6 this subsection (2) AND (2.5).

7 (III.3) THERE IS HEREBY CREATED A SPECIAL ACCOUNT WITHIN THE  
8 FUND TO BE KNOWN AS THE JUSTICE REINVESTMENT INITIATIVE EXPANSION  
9 ACCOUNT. ON JUNE 30, 2021, THE STATE TREASURER SHALL TRANSFER  
10 THREE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL  
11 FUND TO THE ACCOUNT. MONEY IN THE ACCOUNT IS CONTINUOUSLY  
12 APPROPRIATED TO THE DEPARTMENT TO BE USED BY THE DEPARTMENT AS  
13 SET FORTH IN THIS SUBSECTION (2)(i)(III.3) AND SUBSECTION (2)(i)(III.5)  
14 OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
15 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
16 ACCOUNT TO THE ACCOUNT. IN STATE FISCAL YEAR 2021-22, THE  
17 DEPARTMENT MAY USE ONE MILLION SEVEN HUNDRED FIFTY THOUSAND  
18 DOLLARS IN THE ACCOUNT AS FOLLOWS:

19 (A) FORTY PERCENT FOR THE EXPANSION OF THE GRANT PROGRAM  
20 TO INCLUDE GRAND JUNCTION, INCLUDING UNINCORPORATED AREAS  
21 OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND  
22 RELATED ADMINISTRATIVE COSTS;

23 (B) TWENTY PERCENT FOR THE EXPANSION OF THE GRANT  
24 PROGRAM TO INCLUDE TRINIDAD, INCLUDING UNINCORPORATED AREAS  
25 OUTSIDE OF THE CITY LIMITS, AS DESCRIBED IN THIS SUBSECTION (2) AND  
26 RELATED ADMINISTRATIVE COSTS; AND

27 (C) FORTY PERCENT FOR THE IMPLEMENTATION AND  
28 ADMINISTRATION OF THE PROGRAM CREATED IN SUBSECTION (2.5) OF THIS  
29 SECTION.

30 (D) THIS SUBSECTION (2)(i)(III.3) IS REPEALED, EFFECTIVE  
31 SEPTEMBER 1, 2023.

32 (III.5) (A) IN STATE FISCAL YEAR 2022-23, THE DEPARTMENT MAY  
33 USE ANY REMAINING MONEY IN THE ACCOUNT FOR THE SAME PURPOSES  
34 AND IN THE PERCENTAGES SET FORTH IN SUBSECTION (2)(i)(III.3) OF THIS  
35 SECTION. ON JULY 1, 2023, THE STATE TREASURER SHALL TRANSFER ANY  
36 UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE ACCOUNT  
37 TO THE GENERAL FUND.

38 (B) THIS SUBSECTION (2)(i)(III.5) IS REPEALED, EFFECTIVE  
39 SEPTEMBER 1, 2023.

40 (IV) The state treasurer shall transfer to the general fund all  
41 unexpended and unencumbered money in the fund on September 1, 2023



1 SEPTEMBER 1, 2026.

2 (2.5) (a) AS USED IN THIS SUBSECTION (2.5), UNLESS THE CONTEXT  
3 OTHERWISE REQUIRES:

4 (I) "ELIGIBLE ENTITY" MEANS A NONPROFIT ORGANIZATION  
5 REGISTERED AND IN GOOD STANDING WITH THE UNITED STATES INTERNAL  
6 REVENUE SERVICE AND THE COLORADO SECRETARY OF STATE'S OFFICE.

7 (II) "GRANTEE" MEANS AN ELIGIBLE ENTITY SELECTED BY THE  
8 DIVISION TO PARTICIPATE IN THE PROGRAM DESCRIBED IN SUBSECTION  
9 (2.5)(b) OF THIS SECTION.

10 (III) "JUSTICE-SYSTEM-INVOLVED PERSON" MEANS A PERSON WHO  
11 HAS PENDING CHARGES FOR A CRIMINAL OFFENSE OR DELINQUENT ACT OR  
12 HAS BEEN CONVICTED OF, PLED GUILTY OR NOLO CONTENDERE,  
13 PARTICIPATED IN A PRETRIAL DIVERSION PROGRAM, OR HAS RECEIVED A  
14 DEFERRED SENTENCE FOR A CRIMINAL OFFENSE OR DELINQUENT ACT.  
15 "JUSTICE-SYSTEM-INVOLVED PERSON" DOES NOT INCLUDE A PERSON WHO  
16 IS CURRENTLY INCARCERATED.

17 (b) SUBJECT TO ANNUAL APPROPRIATIONS, ON OR BEFORE  
18 SEPTEMBER 1, 2021, THE DIVISION SHALL ADMINISTER A STATEWIDE  
19 PROGRAM TO PROVIDE GRANTS TO ELIGIBLE ENTITIES TO ESTABLISH  
20 BUSINESS AND ENTREPRENEURSHIP TRAINING PROGRAMS FOR  
21 JUSTICE-SYSTEM-INVOLVED PERSONS. THE PERMISSIBLE USES OF ANY  
22 FUNDING PROVIDED TO AN ELIGIBLE ENTITY ARE PROJECTS, PROGRAMS,  
23 AND INITIATIVES THAT ARE AIMED AT THE FOLLOWING:

24 (I) ASSESSING JUSTICE-SYSTEM-INVOLVED PERSONS TO DETERMINE  
25 THEIR CURRENT LEVEL OF RELEVANT KNOWLEDGE, SKILL, AND READINESS  
26 TO START OR EXPAND A BUSINESS;

27 (II) PROVIDING ENTREPRENEURSHIP AND RELEVANT BUSINESS  
28 SKILLS TRAINING, INCLUDING CURRICULUM DEVELOPMENT OR  
29 REASONABLE CURRICULUM USE FEES;

30 (III) ASSISTING JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE  
31 PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP  
32 TRAINING PROGRAM WITH IDENTIFYING AND APPLYING FOR SMALL  
33 BUSINESS LOANS OR OTHER INVESTMENT CAPITAL, WHICH MAY INCLUDE  
34 ASSISTING IN THE DEVELOPMENT OF BUSINESS PLANS OR OTHER  
35 DOCUMENTS THAT MAY BE REQUIRED BY A POTENTIAL LENDER;

36 (IV) GRANTS AWARDED ON AN ANNUAL BASIS NOT TO EXCEED  
37 MORE THAN FIVE THOUSAND DOLLARS PER JUSTICE-SYSTEM-INVOLVED  
38 PERSON PER YEAR THAT ARE INTENDED TO INCREASE TRAINING  
39 PARTICIPATION OR GRADUATION, LOAN READINESS, ACCELERATE LOAN  
40 REPAYMENT FOR HIGH PERFORMING BORROWERS, OR OTHER SIMILAR  
41 PURPOSES, PROVIDED THAT A GRANT MAY NOT BE AWARDED TO A

1 JUSTICE-SYSTEM-INVOLVED PERSON FOR MORE THAN THREE YEARS; AND  
2 (V) ONGOING TECHNICAL ASSISTANCE AND SOCIAL SUPPORT  
3 SERVICES TO JUSTICE-SYSTEM-INVOLVED PERSONS WHO ARE  
4 PARTICIPATING IN OR GRADUATED FROM THE ENTREPRENEURSHIP  
5 TRAINING PROGRAM TO INCREASE LONG-TERM BUSINESS SUCCESS.

6 (c) THE DIVISION SHALL DEVELOP THE POLICIES, PROCEDURES, AND  
7 TIMELINES TO IMPLEMENT THE PROGRAM DESCRIBED IN SUBSECTION  
8 (2.5)(b) OF THIS SECTION, INCLUDING BUT NOT LIMITED TO THE  
9 DEVELOPMENT OF GRANT GUIDELINES, APPLICATION AND REVIEW  
10 PROCESSES, DATA COLLECTION, AND REPORTING REQUIREMENTS FOR  
11 GRANTEES.

12 (d) ON OR BEFORE SEPTEMBER 1, 2021, THE DIVISION SHALL ISSUE  
13 A REQUEST FOR PROPOSALS FROM ELIGIBLE ENTITIES. NOTWITHSTANDING  
14 ANY LAW TO THE CONTRARY, AN ELIGIBLE ENTITY MAY IDENTIFY IN ITS  
15 PROPOSAL A COLLABORATION THAT INCLUDES ANOTHER ELIGIBLE ENTITY  
16 THAT WOULD RECEIVE SUBGRANTS TO PROVIDE SERVICES CONSISTENT  
17 WITH THE PURPOSES SET FORTH IN THIS SUBSECTION (2.5).

18 (e) THE DIVISION SHALL AWARD GRANTS TO ELIGIBLE ENTITIES  
19 THAT HAVE BEEN SELECTED TO PARTICIPATE IN THE PROGRAM NO LATER  
20 THAN DECEMBER 1, 2021.

21 (f) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE  
22 GENERAL FUND OR FROM ANY OTHER AVAILABLE SOURCE TO THE DIVISION  
23 FOR THE PURPOSES OF THIS SUBSECTION (2.5). THE DIVISION MAY SEEK,  
24 ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR  
25 PUBLIC SOURCES FOR THE PURPOSES OF THIS SUBSECTION (2.5).

26 (3) ~~Subsection (2)~~ SUBSECTIONS (2) AND (2.5) of this section and  
27 this subsection (3) are repealed, effective ~~September 1, 2023~~ SEPTEMBER  
28 1, 2026. Before such repeal, the department of regulatory agencies shall  
29 review the justice reinvestment crime prevention initiative pursuant to  
30 section 24-34-104.

31 **SECTION 3. Safety clause.** The general assembly hereby finds,  
32 determines, and declares that this act is necessary for the immediate  
33 preservation of the public peace, health, or safety."

34 Page 1, lines 102 and 103, strike "THE CREATION OF" and substitute  
35 "CREATING".

36 Page 1, line 104, strike "PERSONS." and substitute "PERSONS AND  
37 MAKING AN APPROPRIATION."

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